

# FACTS & FIGURES

From the Economic Policy Institute

# Jobs

The great American jobs machine has been sputtering as the weakest jobs recovery on record has taken its toll. In a development troubling to economists and policy makers alike, job growth five years into this recovery has not been strong enough to boost most workers' living standards despite overall economic expansion and impressive labor productivity gains.

## Job growth and trends

- ❖ This is the worst jobs recovery on record: It took 46 months to regain peak level employment following the 2001 recession, but just 21 months, on average, for all previous recessions.
- ❖ From March 2001 to April 2006, employment grew by 1.9%. In contrast, the average rate of employment growth for business cycles that have lasted at least 61 months is 10%. Even in the early 1990s, the only other jobless recovery, employment growth was 7.1%.
- ❖ The jobless recovery, which began in late 2001, combined with large and growing trade imbalances, weakened demand in the manufacturing and IT sectors, which are down 16% and 17%, respectively, from peak employment levels of 2001.
- ❖ The most recent business cycle has had relatively strong job growth in the education, health services, construction and financial activities sectors.
- ❖ If demographic changes in age and educational attainment are taken into account, the ability of the economy to generate good jobs has declined 25 to 30 percent over the last 25 years.

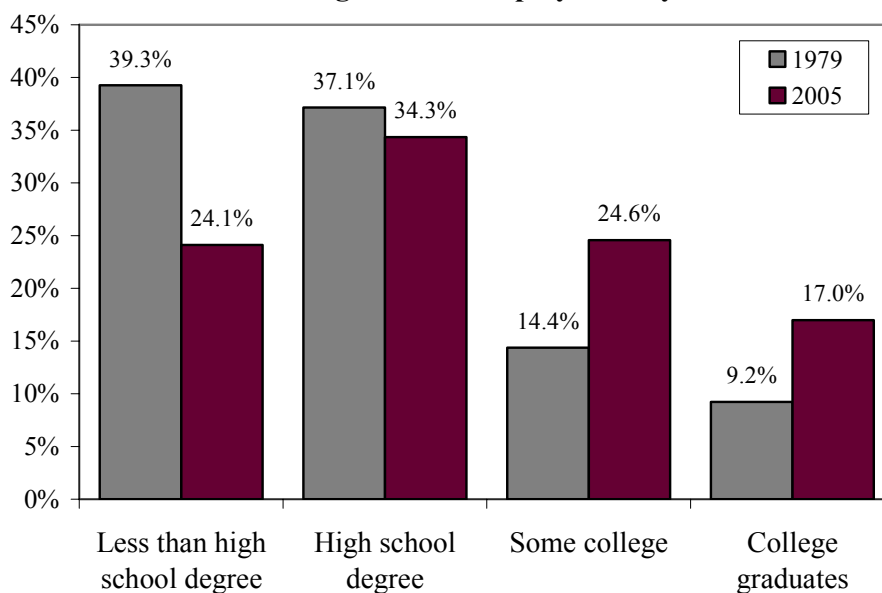
## Employment rates

- ❖ Employment rates – a measure of labor demand – are off their March 2001 peak levels. Employment rates are down 1.4 percentage points and 1.3 percentage points for men and women, respectively.
- ❖ Except for those with less than a high school degree, employment rates have not yet returned to their March 2001 pre-recession peak. Among those with a college degree, employment rates remain 1.5 percentage points below their 2001 peak. Among those with a high school diploma and some college, rates are 2 percentage points below the peak.
- ❖ Employment rates for workers 55 years and older reversed a longstanding, downward trend beginning in the early 1990s, and continuing through the 2001 recession and into 2006.
- ❖ In 2006, the employment rate for young college graduates (ages 25-35) increased to 86% from the 84% rate found in 2003 and 2004. But this 86% rate is still 2.4 percentage points below the peak employment rate found in the booming late 1990s.

## Unemployment

*The shares of long-term unemployment actually decreased for workers with less education. In 1979, those with less than a high school degree made up 39.3% of the long-term unemployed, but the share dipped to 24.1% in 2005. Meanwhile, the share for workers with some college climbed from 14.4% to 24.6%.*

Shares of Long Term Unemployment by Education



Source: Authors' analysis of Allegretto (2006).

- ❖ As a share of total unemployment, long-term unemployment has increased substantially since 1979—from 8.6% to 19.6% in 2005.
- ❖ Education is no longer a shield against economic downturns as it once was. The share of college-educated workers who were long-term unemployed increased 2.8 percentage points from 2000 to 2005, while the share decreased by 5.4 percentage points for those with less than a high school degree.
- ❖ In 2005, the unemployment rate for African Americans with some college (7.7%) was much higher than the corresponding rates for whites (3.6%) and Hispanics (4.1%).
- ❖ In 2005, 30% of the workforce was in nonstandard employment (not regular, full-time employment); 54.7% of nonstandard workers were women and 45.3% were men.
- ❖ The share of temp agency workers employed one year or longer increased from 24.4% in 1995 to 33.7% in 2005. Contract company employees on the job at least a year increased from 50.9% to 65.2% over the last decade, signaling an increase in “perma-temping.”
- ❖ In 2005, 85% of standard workers were eligible for employer-provided health insurance, compared to 39% of nonstandard workers.
- ❖ About 70% of standard workers and 27% of nonstandard workers had access to a job-based retirement plan in 2005.
- ❖ Nancy Coleman, Karen Conner, Stephaan Harris: 202-775-8810 or [news@epinet.org](mailto:news@epinet.org)

## Nonstandard work

## Contact

